



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-489-823]

#### **Welded Line Pipe from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of welded line pipe from the Republic of Turkey (Turkey). The period of investigation is January 1, 2013, through December 31, 2013. Interested parties are invited to comment on this preliminary determination.

**DATES:** *Effective* [INSERT DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Eastwood or Dennis McClure, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3874 or (202) 482-5973, respectively.

#### **Alignment of Final Countervailing Duty (CVD) Determination With Final Antidumping Duty (AD) Determination**

On the same day the Department initiated this CVD investigation, the Department also initiated a CVD investigation of welded line pipe from the Republic of Korea (Korea) and AD investigations of welded line pipe from Korea and Turkey.<sup>1</sup> The CVD and AD investigations

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<sup>1</sup> See Welded Line Pipe From the Republic of Korea and the Republic of Turkey: Initiation of Countervailing Duty Investigations, 79 FR 67419 (November 13, 2014) (Initiation Notice). See also Welded Line Pipe From the

cover the same merchandise. On February 27, 2015, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (Act), the petitioners<sup>2</sup> requested alignment of the final CVD determination with the final AD determination of welded line pipe from Turkey. Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than July 28, 2015, unless postponed.

#### Scope of the Investigation

The scope of the investigation covers welded line pipe, which is carbon and alloy steel pipe of a kind used for oil or gas pipelines, not more than 24 inches in nominal outside diameter. For a complete description of the scope of the investigation, see Appendix I.

#### Scope Comments

Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. For discussion of those comments, see the Preliminary Decision Memorandum.<sup>3</sup>

#### Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy (i.e., a financial contribution by an “authority” that gives rise to a benefit

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Republic of Korea and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations, 79 FR 68213 (November 14, 2014).

<sup>2</sup> The petitioners in this investigation are American Cast Iron Pipe Company, Energex (a division of JMC Steel Group), Maverick Tube Corporation, Northwest Pipe Company, Stupp Corporation (a division of Stupp Bros., Inc.), Tex-Tube Company, TMK IPSCO, and Welspun Tubular LLC USA.

<sup>3</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, regarding “Decision Memorandum for the Affirmative Preliminary Determination in the Countervailing Duty Investigation of Welded Line Pipe from the Republic of Turkey,” dated concurrently with this notice (Preliminary Decision Memorandum).

to the recipient) and that the subsidy is specific.<sup>4</sup> For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>5</sup> ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated a CVD rate for each individually-investigated producer/exporter of the subject merchandise. For companies not individually investigated, we have calculated an "all others" rate as described below. We preliminarily determine the countervailable subsidy rates to be:

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<sup>4</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

<sup>5</sup> On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance's AD and CVD Centralized Electronic Service System (IA ACCESS) to AD and CVD Centralized Electronic Service System (ACCESS). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014)."

Company	Subsidy Rate (percent)
Borusan Istikbal Ticaret, Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S.	8.85
Tosçelik Profil ve Sac Endustrisi A.S., Tosyali Demir Celik Sanayi A.S., Tosyali Dis Ticaret A.S., Tosyali Elektrik Enerjisi Toptan Satis Ith. Ihr. A.S., and Tosyali Holding A.S. <sup>6</sup>	3.76
All Others	4.36

In accordance with sections 703(d)(1)(B) and (2) of the Act, we are directing U.S. Customs and Border Protection to suspend liquidation of all entries of welded line pipe from Turkey that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

In accordance with sections 703(d) and 705(c)(5)(A) of the Act, for companies not investigated, we apply an “all others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as respondents by those companies’ exports of the subject merchandise to the United States.<sup>7</sup> The “all-others” rate does not include zero and de minimis rates or any rates based solely on the facts available.

<sup>6</sup> In its December 15, 2014, response, Toscelik stated that Toscelik Profil ve Sac Endustrisi A.S. merged with its cross-owned affiliate, Tosyali Metal Ambalaj Sanayi A.S. (Tosyali Metal). Because Tosyali Metal no longer exists as a separate entity, we have not included it in the list of companies above.

<sup>7</sup> See Memorandum from Elizabeth Eastwood to the File, “Calculation of the “All Others” Rate in the Preliminary Determination of the Countervailing Duty Investigation of Welded Line Pipe from the Republic of Turkey,” dated March 16, 2015, for the details of this calculation. We calculated a weighted average of the rates of Borusan Istikbal Ticaret, Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S. (collectively, Borusan) and Toscelik Profil ve Sac Endustrisi A.S., Tosyali Demir Celik Sanayi A.S., Tosyali Dis Ticaret A.S., , Tosyali Elektrik Enerjisi Toptan Satis Ith. Ihr. A.S., and Tosyali Holding A.S. (collectively, Toscelik) using publicly-ranged data so as not to disclose the respondents’ business proprietary information.

### Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

### U.S. International Trade Commission

In accordance with section 703(f) of the Act, we will notify the U.S. International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

### Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.<sup>8</sup> Interested parties may submit case briefs, rebuttal briefs, and hearing requests.<sup>9</sup> For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum.

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<sup>8</sup> See 19 CFR 351.224(b).

<sup>9</sup> See 19 CFR 351.309(c)-(d), 19 CFR 351.310(c).

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: March 16, 2015.

**Paul Piquado,**  
*Assistant Secretary*  
*for Enforcement and Compliance.*

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is circular welded carbon and alloy steel (other than stainless steel) pipe of a kind used for oil or gas pipelines (welded line pipe), not more than 24 inches in nominal outside diameter, regardless of wall thickness, length, surface finish, end finish, or stenciling. Welded line pipe is normally produced to the American Petroleum Institute (API) specification 5L, but can be produced to comparable foreign specifications, to proprietary grades, or can be non-graded material. All pipe meeting the physical description set forth above, including multiple-stenciled pipe with an API or comparable foreign specification line pipe stencil is covered by the scope of this investigation.

The welded line pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.5000, 7305.12.1030, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. The subject merchandise may also enter in HTSUS 7305.11.1060 and 7305.12.1060. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope Comments
- IV. Scope of the Investigation
- V. Injury Test
- VI. Subsidies Valuation
- VII. Analysis of Programs
- VIII. ITC Notification
- IX. Disclosure and Public Comment
- X. Verification
- XI. Conclusion

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